

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6298

BILL NUMBER: HB 1074

NOTE PREPARED: Jan 28, 2003

BILL AMENDED: Jan 28, 2003

SUBJECT: Electric Meter Bases.

FIRST AUTHOR: Rep. Liggett

FIRST SPONSOR:

BILL STATUS: 2nd Reading - 1st House

FUNDS AFFECTED: ☒ **GENERAL**
☒ **DEDICATED**
☐ **FEDERAL**

IMPACT: State & Local

Summary of Legislation: (Amended) This bill provides that when a residential customer of a public or municipally owned electric utility installs or upgrades electric service, the utility must supply the customer with a meter base if the meter base: (1) is necessary; and (2) has not already been supplied by the customer. The bill prohibits a utility from requiring a residential customer or a contractor or subcontractor hired by the customer to obtain a meter from an outside supplier or vendor. It also prohibits a contractor or subcontractor from including in a charge to a residential customer the cost of a meter base. The bill provides that a person who installs a meter base outside the service area of a utility commits a Class A misdemeanor.

Effective Date: July 1, 2003.

Explanation of State Expenditures: The bill's provisions could have minimal administrative impact on the Indiana Utility Regulatory Commission (IURC) in so far as the IURC has jurisdiction over regulated utilities. Any impact would presumably be covered by the Commission's current resources.

Background on IURC and Office of the Utility Consumer Counselor (OUCC) Funding: The operating budgets of the IURC and OUCC are funded by regulated utilities operating in Indiana. The IURC determines the rate at which to bill the utilities based on the two agencies' budgets, less reversions, divided by the total amount of gross intra-state operating revenue received by the regulated utilities for the previous fiscal year. Based on this formula, utilities are currently billed approximately 0.10% of their gross intra-state operating revenues to fund the IURC and OUCC. In FY 2002, fees from the utilities and fines generated approximately \$9.5 M.

Explanation of State Revenues: (Revised) This bill makes it a Class A misdemeanor for person to install

a meter box provided by the a utility outside of the utility's service area. If additional court cases occur and fines are collected, revenue to both the Common School Fund and the state General Fund would increase. The maximum fine for a Class A misdemeanor is \$5,000. Criminal fines are deposited in the Common School Fund. If the case is filed in a circuit, superior or county court, 70% of the \$120 court fee that is assessed and collected when a guilty verdict is entered would be deposited in the state General Fund. If the case is filed in a city or town court, 55% of the fee would be deposited in the state General Fund.

Explanation of Local Expenditures: (Revised) Municipal electric utilities would be affected by this proposal.

Penalty Provision: A Class A misdemeanor is punishable by up to one year in jail. The average daily cost to incarcerate a prisoner in a county jail is approximately \$44.

Explanation of Local Revenues: (Revised) *Penalty Provision:* If additional court actions occur and a guilty verdict is entered, local governments would receive revenue from the following sources: (1) The county general fund would receive 27% of the \$120 court fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund. (2) A \$3 fee would be assessed and, if collected, would be deposited into the county law enforcement continuing education fund. (3) A \$2 jury fee is assessed and, if collected, would be deposited into the county user fee fund to supplement the compensation of jury members.

State Agencies Affected: Indiana Utility Regulatory Commission.

Local Agencies Affected: Municipal electric utilities; Trial courts, local law enforcement agencies.

Information Sources:

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